



**Michigan
Agri-Business
Association**

1501 North Shore Drive, Suite A
East Lansing, Michigan 48823

www.miagbiz.org

Telephone (517) 336-0223

Fax (517) 336-0227

April 28, 2016

Dear Senator Nofs:

I am writing on behalf of the Michigan Agri-Business Association to convey our ongoing concern over the impact Senate Bills 437-438 would have on the future of energy efficiency programs in Michigan. Despite changes in the S-2 version, the bill continues to move forward with a plan that would shortchange agriculture by eliminating a mandatory electric Energy Optimization Standard found in P.A. 295 of 2008.

Our industry is proud of the work we have achieved along with Michigan's utilities to save energy, and we have been clear that the energy efficiency standards currently in state law drove much of that progress.

Many of us in agriculture have seen firsthand the benefits of reducing energy use. Members of the Michigan Agri-Business Association have already saved tens of thousands of dollars thanks to the energy efficiency programs created by Michigan's utilities, and energy engineering studies undertaken together with the utilities. In addition to more than 40 new energy efficiency programs, the Energy Optimization Standard was the direct reason that new pilot programs are being undertaken by DTE Energy and major grain handlers and the dairy industry. This is especially important at this time with lower commodity prices and farmers and businesses working hard to identify common-sense savings.

While the current bills offer voluntary incentives for energy efficiency, they contain no requirements or enforcement, leaving utilities unaccountable for reducing energy waste and threatening the continued availability of these programs. Prior to the passage of P.A. 295, Michigan utilities also had no energy efficiency programs in place serving agriculture, and it is clear that the programs available today are the direct result of the standards contained in the bill – and not simply from voluntary incentives like those proposed in the latest bills.

We strongly urge you to amend S.B. 437-438 and ensure mandatory energy efficiency goals as you continue the debate on Michigan's energy policy.

Sincerely,

James E. Byrum, President
Michigan Agri-Business Association
1501 North Shore Drive, Suite A
East Lansing, MI 48823